



UNITED STATES SENATOR · MICHIGAN
DEBBIE STABENOW
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**Stabenow Urges Review of USDA
Rural Development Application Process**
*Delays in Process Halted Reopening of Former
Fletcher Paper Mill, and the Creation of up to 130 jobs*

WASHINGTON—U.S. Senator Debbie Stabenow (D-MI) today urged the United States Department of Agriculture (USDA) to review the application process used by its Rural Development Program, which provides loan guarantees for rural businesses. Delays in the process recently halted the reopening of Alpena Paper's Fletcher Paper Mill. In a letter to Secretary of Agriculture Ann Veneman, Stabenow expressed her disappointment that the program's application process may have resulted in the loss of critical jobs and economic development for the community of Alpena. Senator Carl Levin (D-MI) and Congressman Bart Stupak (D-MI) also signed the letter.

"Reopening the former Fletcher Paper Mill would have brought economic security to over one-hundred families in a region with Michigan's highest unemployment rate," Stabenow said. "This project could have been a showcase of the Rural Development Program's ability to bring vital jobs and economic growth to a community, but instead it illustrates possible flaws in a complicated application process."

Last fall, having garnered financial support from the city of Alpena and a number of local investors, Alpena Paper Company partnered with National City Bank and submitted an application to Rural Development in the hope of securing a loan guarantee. Senator Stabenow contacted the USDA to express her support for the project.

Several weeks later, Rural Development informed National City Bank and the Alpena Paper Company that their application required additional documentation, including an independent feasibility study. Such a study would have lengthened the process for an estimated two months; unfortunately, this stopped plans to reopen the former Fletcher Paper Mill.

"Hopefully, in reviewing their application process, the Rural Development program will be able to streamline and clarify requirements for applicants that have both feasible projects and critical timelines," said Stabenow.

The Rural Development Program's Business and Industry Guaranteed Loan Program was created to foster jobs and stimulate rural economies by providing financial backing for rural businesses. It aims to expand the lending capability of private lenders in rural areas, helping them make and service quality loans that provide lasting community benefits. The program can provide guarantees up to 90 percent of a loan made by a commercial lender.